



AGENT ALERT!

Frequently Asked Questions on Medi-Cal Eligibility Issues Get Some Straight Answers

Questions and answers on Medi-Cal Eligibility issues can be extremely complicated and difficult to explain to your clients. This Agent Alert offers simple answers to some very complex questions. If your clients need further clarification on Medi-Cal Eligibility rules, please direct them to the State Department of Health Services to ensure they receive accurate information.

Partnership Policies Q and A:

Q: If a Partnership policy covers a patient's stay in a private room in a nursing home until policy benefits are exhausted, and the patient transitions into Medi-Cal, with a Share of Cost (SOC), do they have to spend the SOC for services specifically pertinent to the nursing home?

A: No, the patient can spend their SOC on a variety of medical services. This SOC obligation does not necessarily need to be paid to the nursing home. For example, if the nursing home patient needs four occupational therapy treatments per week but Medi-Cal only allows two per week, the additional occupational therapy treatments could be paid through the SOC. In this example, even though Medi-Cal covers occupational therapy, any additional services a person wants above and beyond what Medi-Cal would have covered could be paid as the SOC. Therefore, the SOC services paid by the patient must not be Medi-Cal covered services in order for their costs to count toward the Medi-Cal SOC. In addition, services that would usually be covered by Medi-Cal, such as the use of a health aide, can be paid as the SOC if the service provider is not a Medi-Cal provider.

Q: If a Partnership policy covers a patient's stay in a private room in the nursing home until policy benefits are exhausted, and the patient transitions into Medi-Cal, with a SOC, will the

nursing facility transfer them into a semi-private room?

A: It is possible that the patient will be transferred to Medi-Cal covered accommodations. However, please see the next question and answer which may provide some additional options.

Q: If a Partnership policy covers a patient's stay in a private room in the nursing home until policy benefits are exhausted, and the patient transitions into Medi-Cal, with a SOC, and the nursing facility transfers them out of their private room and into a semi-private room, can the patient use their SOC to guarantee their continued stay in a private room?

A: Yes, as long as the patient's SOC, or some combination of their SOC, their assets and/or any remaining insurance, is high enough to cover the rate for the private room. If the nursing facility charges Medi-Cal for any portion of the facility cost, the patient cannot pay the difference between the Medi-Cal covered accommodation and a private room. However, the patient may be able to afford to pay the entire cost of the nursing facility charge as their SOC, because they will no longer need to use any of their income to pay for drugs, Medi-Gap (part B) policy co-pays or deductibles, etc. This is because once the patient is on Medi-Cal, the Medi-Cal benefits will cover all these medically necessary

services. The patient's income therefore, depending on each individual's circumstances, may be sufficient to pay the facility costs (while meeting their SOC) so they can be sure to remain in a private or semi-private room. If not, the patient may have to move into Medi-Cal covered accommodations.

Q: How long does a person have to be living in California before they can be deemed a resident of California for Medi-Cal eligibility purposes?

A: There is no time period associated with being a California resident. However, a person does have to be physically present in California with the intent to remain in California permanently or indefinitely.

Q: Where can I get more information on Medi-Cal Eligibility?

A: You can find more information by downloading a copy of "Before You Buy", found on the Partnership's web site. This document, which provides an explanation of asset protection and Medi-Cal Eligibility Rules, must be provided to consumers when long-term care presentations are made, in compliance with Partnership regulations. "Before You Buy" is updated annually with new figures on current Medi-Cal resource and income limits.

Department of Health Services Medi-Cal Policy Analyst, Sharyl Shanen-Raya answers Medi-Cal Eligibility Questions

Q: What property/assets are allowable for Medi-Cal?

A: We know you are aware that the Medi-Cal program has property/asset limits. If a Medi-Cal applicant's property/assets are over the Medi-Cal property limit, the applicant will not be eligible for Medi-Cal unless they lower their property/assets according to the program rules. The Medi-Cal eligibility worker looks at how much an applicant and family have each month. If their property/assets are below the limit at any time during that month, the applicant will get Medi-Cal, if otherwise eligible. If a person has more than the limit for a whole month, Medi-Cal benefits will be discontinued. A person's home, furnishings, personal items and one motor vehicle are not counted. A single person is allowed to keep \$2,000 in property/assets, more if they are married and/or have a family. (If a person has a Partnership policy, however, each dollar the Partnership policy pays out in benefits entitles the insured to keep a dollar of his/her assets should he/she ever need to apply for Medi-Cal Services.)

Q: What are the community spousal resource limits for 1999 when qualifying for the Medi-Cal nursing home benefit?

A: The 1999 community spouse resource allowances are \$81,960 in assets and \$2,049 in monthly income. For a married couple with one spouse in a nursing home and the other spouse at home, the spouse at home may keep up to \$81,960 in resources (property and other assets) while the spouse in a nursing home may keep \$2,000. The spouse at home may keep all of the income received in his or her name, regardless of the amount. If the amount is below \$2,049 per month, the spouse in the nursing home may allocate income to bring the at-home spouse's income up to the \$2,049 per month limit. The spouse in the nursing home is permitted to keep \$35 a month for personal needs. You can find this information in "Before You Buy".

Q: How long before applying for Medi-Cal can a person transfer assets?

A: The Medi-Cal "Look-Back" period in California is 30 months. "Transfer" means an outright gift or a "sale" made at less than "fair market value". If a disqualifying transfer of property is made, Medi-Cal will calculate the period of ineligibility for nursing facility level of care. It will be the number of months resulting when the "net fair market value" of the transferred asset, which would have resulted in excess property at the time of the transfer, is divided by the monthly average private nursing facility cost. In 1999, the average cost used to calculate the period length is \$3,882 per month.

Q: Can a nursing home resident give away their income, or does it need to be spent on medically necessary care? Let's say a person is in a nursing home and wants to give their grandchild \$50 for their birthday. Can they do that?

A: There is currently no transfer of income penalty in California. However, a nursing home resident's income must be used to meet the share of cost, or Medi-Cal will pay for NO services during that month. The nursing home resident is allowed only \$35 for personal needs. It's fine if he/she wants to give their \$35 away, but then there will be nothing for personal needs unless the individual wants to dip into their \$2,000 property reserve. Funds from their \$2,000 property reserve may also be given away without penalty. When funds are used from the \$2,000 property reserve, the reserve can be increased the following month to the \$2,000 limit.

Q: If a person applies for Medi-Cal, can they have a principal residence in another state (outside of California) and still qualify for Medi-Cal?

A: Yes, but the person has to distinguish between "principal residence" and "primary residence". In other words, they can have a principal residence anywhere, as long as they eventually return to it to live. In order to qualify for Medi-Cal, a person must show that they are presently living in California with the intention to remain permanently, or for an indefinite period of time. A person could be living in a California nursing home with the intention to remain indefinitely, but still have the intention to

return eventually to their principal residence out-of-state.

Q: If a Medi-Cal applicant's spouse transfers assets, will that result in any period of ineligibility for nursing home care?

A: Generally California will not impose any period of ineligibility for nursing home care on the applicant if his or her spouse previously transferred assets. The exception is if the asset/resource transferred originally belonged to the applicant. In that case, a disqualification period will be imposed if the spouse received the assets from the applicant before the applicant went into the nursing home and then transferred them to a third party. This is because the Medi-Cal rules differ for a "community spouse" and an "individual spouse". If the spouses wait until one of them goes into the nursing home, the spouse will be a "community spouse". Then a transfer of property from the spouse in the nursing home to the community spouse which is then transferred to a third party, does not trigger any period of ineligibility.

Q: What if the above transfer was to a family member, such as an adult child?

A: The transfer by the applicant's spouse must be a real gift transfer. If the adult child, for example, is only holding the assets, it probably really is a trust. In that case, the transfer could cause either a period of ineligibility or simply result in the assets continuing to be counted as available to the applicant.

If you need immediate clarification of any of the information presented in this Agent Alert, please contact Sharyl Shanen-Raya at (916) 657-2942. If you have a question you would like addressed in a future Agent Alert, please contact Lisa Kale through the Partnership website inquiry link at www.dhs.ca.gov/cpltc or by writing The California Partnership for Long-Term Care, P.O. Box 942732, Sacramento, CA 94234-7320.